

Maine Revised Statutes
Title 36: TAXATION
Chapter 105: CITIES AND TOWNS

§581. WITHDRAWAL

1. Assessor determination; owner request. If the assessor determines that land subject to this subchapter no longer meets the requirements of this subchapter, the assessor must withdraw the land from taxation under this subchapter. An owner of land subject to taxation under this subchapter may at any time request withdrawal of that land from taxation under this subchapter by certifying in writing to the assessor that the land is no longer to be classified under this subchapter.

[2009, c. 577, §1 (AMD) .]

1-A. Notice of compliance. No earlier than 185 days prior to a deadline established by section 574-B, if the landowner has not yet complied with the requirements of that section, the assessor must provide the landowner with written notice by certified mail informing the landowner of the statutory requirements that need to be met to comply with section 574-B and the date of the deadline for compliance or by which the parcel may be transferred to open space classification pursuant to subchapter 10. The notice must also state that if the owner fails to meet the deadline for complying with section 574-B or transferring the parcel to open space classification, a supplemental assessment of \$500 will be assessed and that continued noncompliance will lead to a subsequent supplemental assessment of \$500. If the notice is issued less than 120 days before the deadline, the owner has 120 days from the date of the notice to provide the assessor with the documentation to achieve compliance with section 574-B or transfer the parcel to open space classification, and the notice must specify the date by which the owner must comply.

If the landowner fails to provide the assessor with the documentation to achieve compliance with section 574-B or transfer the parcel to open space classification pursuant to subchapter 10 by the deadline specified in the notice, the assessor shall impose a \$500 penalty to be assessed and collected as a supplemental assessment in accordance with section 713-B. The assessor shall send notification of the supplemental assessment by certified mail and notify the landowner that, no later than 6 months from the date of the 2nd notice, the landowner must comply with the requirements of section 574-B or transfer the parcel to open space classification pursuant to subchapter 10 and that failure to comply will result in an additional supplemental assessment of \$500 and the landowner will have an additional 6-month period in which to comply with these requirements before the withdrawal of the parcel and the assessment of substantial financial penalties against the landowner.

At the expiration of 6 months, if the landowner has not complied with section 574-B or transferred the parcel to open space classification under subchapter 10, the assessor shall assess an additional \$500 supplemental assessment. The assessor shall send notification of the 2nd supplemental assessment by certified mail and notify the landowner that, no later than 6 months from the date of the notice, the landowner must comply with the requirements of section 574-B or transfer the parcel to open space classification pursuant to subchapter 10 or the land will be withdrawn from the tree growth tax program.

If the landowner has not complied within 6 months from the date of the 2nd supplemental assessment, the assessor shall remove the parcel from taxation under this subchapter and assess a penalty for the parcel's withdrawal pursuant to subsection 3.

This subsection does not limit the assessor from issuing other notices or compliance reminders to property owners at any time in addition to the notice required by this subsection.

[2011, c. 618, §4 (AMD) .]

2. Withdrawal of portion. In the case of withdrawal of a portion of a parcel, the owner, as a condition of withdrawal, shall file with the assessor a plan showing the area withdrawn and the area remaining subject to taxation under this subchapter. In the case of withdrawal of a portion of a parcel, the resulting portions must be treated after the withdrawal as separate parcels under section 708.

[2007, c. 627, §16 (RPR) .]

3. Penalty. If land is withdrawn from taxation under this subchapter, the assessor shall impose a penalty upon the owner. The penalty is the greater of:

A. An amount equal to the taxes that would have been assessed on the first day of April for the 5 tax years, or any lesser number of tax years starting with the year in which the land was first classified, preceding the withdrawal had that land been assessed in each of those years at its just value on the date of withdrawal. That amount must be reduced by all taxes paid on that land over the preceding 5 years, or any lesser number of tax years starting with the year in which the land was first classified, and increased by interest at the prevailing municipal rate from the date or dates on which those amounts would have been payable; and [2007, c. 627, §16 (RPR) .]

B. An amount computed by multiplying the amount, if any, by which the just value of the land on the date of withdrawal exceeds the 100% valuation of the land pursuant to this subchapter on the preceding April 1st by the following rates.

(1) If the land was subject to valuation under this subchapter for 10 years or less prior to the date of withdrawal, the rate is 30%.

(2) If the land was subject to valuation under this subchapter for more than 10 years prior to the date of withdrawal, the rate is that percentage obtained by subtracting 1% from 30% for each full year beyond 10 years that the land was subject to valuation under this subchapter prior to the date of withdrawal, except that the minimum rate is 20%. [2007, c. 627, §16 (RPR) .]

For purposes of this subsection, just value at the time of withdrawal is the assessed just value of comparable property in the municipality adjusted by the municipality's certified assessment ratio.

[2007, c. 627, §16 (RPR) .]

4. Assessment and collection of penalties. The penalties for withdrawal under this section must be paid upon withdrawal to the tax collector as additional property taxes. Penalties may be assessed and collected as supplemental assessments in accordance with section 713-B.

[2007, c. 627, §16 (RPR) .]

5. Eminent domain. A penalty may not be assessed under this section for a withdrawal occasioned by a transfer to an entity holding the power of eminent domain if the transfer results from the exercise or threatened exercise of that power.

[2007, c. 627, §16 (RPR) .]

6. Relief from requirements. Upon withdrawal under this section, the land is relieved of the requirements of this subchapter immediately and is returned to taxation under chapter 105, subchapter 2 beginning the following April 1st.

[2007, c. 627, §16 (RPR) .]

7. Reclassification as farmland or open space land. A penalty may not be assessed upon the withdrawal of land from taxation under this subchapter if the owner applies for classification of that land as farmland or open space land under subchapter 10 and that application is accepted. If a penalty is later assessed under section 1112, the period of time that the land was taxed as forest land under this subchapter is included for purposes of establishing the amount of the penalty.

[2007, c. 627, §16 (RPR) .]

8. Report of penalty. A municipality that receives a penalty for the withdrawal of land from taxation under this subchapter must report the total amount received in that reporting year to the State Tax Assessor on the municipal valuation return form described in section 383.

[2007, c. 627, §16 (RPR) .]

SECTION HISTORY

1971, c. 616, §8 (NEW). 1973, c. 308, §12 (AMD). 1975, c. 726, §1 (AMD). 1977, c. 509, §§8,9 (AMD). 1979, c. 445, §§1,2 (AMD). 1981, c. 517, §12 (AMD). 1981, c. 663, (AMD). 1983, c. 400, §§1,3 (AMD). 1991, c. 546, §8 (AMD). 1991, c. 824, §A71 (AMD). 1993, c. 452, §5 (AMD). 2007, c. 425, §1 (AMD). 2007, c. 438, §18 (RPR). 2007, c. 627, §16 (RPR). 2009, c. 577, §§1, 2 (AMD). 2011, c. 618, §4 (AMD).

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